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VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

Re: *Connect America Fund*, WC Docket No. 10-90

Dear Ms. Dortch:

Frontier Communications Corp. ("Frontier") hereby files its response to the October 5, 2016 challenge filed by StarTouch Broadband Services ("StarTouch").¹ Specifically, on August 26, 2016, Frontier identified a list of 3,146 census blocks that it had not previously identified to which it would like to deploy as part Connect America Fund ("CAF") Phase I Round 2.² StarTouch objects to all census blocks that Frontier identified in Washington State – 429 census blocks – indicating that it already serves all of these census blocks.³ Indeed, StarTouch – a small Wireless Internet Service Provider ("WISP") in Washington State – indicates, according to its December 2015 Form 477, that it offers service in over 141,180 census blocks – representing over 75% of the 183,957 census blocks in the state that are not water only, and more census blocks than any other provider in the state except for Hughes and VSAT Systems (satellite companies) and General Communications Inc. (a CLEC relying on other providers' copper networks).⁴ Put simply, StarTouch's amazing claims are not credible.

In determining whether to grant a challenge – the Commission set up a straightforward test – is it "more likely than not" that the census block is served or unserved.⁵ Of course, for a census block to count as served, a carrier must actually make service available, which the Commission has defined as follows: "[b]roadband service is 'available' to an end user at an address if a broadband service provider does, or could, *within a typical service interval (7 to 10 business days) without an extraordinary commitment of resources, provision*" the relevant service.⁶ Frontier believes that it is

¹ See Letter from Stacie Scheffer, Operations Manager, StarTouch, WC Docket No. 10-90 (filed Oct. 5, 2016) ("*StarTouch Letter*").

² See Letter from AJ Burton, Director, Federal Regulatory Affairs, Frontier, to Marlene Dortch, FCC, WC Docket No. 10-90 (filed Aug. 26, 2016).

³ See *StarTouch Letter*.

⁴ See FCC, *Fixed Broadband Deployment Data from FCC Form 477—Dec. 2015 Data for Washington State* (last accessed Oct. 18, 2016), <http://fcc.us/2eiQ69d>; see also United States Census Bureau, *2010 Census Tallies of Census Tracts, Block Groups, & Blocks* (last accessed Oct. 18, 2016), <https://www.census.gov/geo/maps-data/data/tallies/tractblock.html>.

⁵ See 47 C.F.R. § 54.312(c)(7).

⁶ See *Connect America Fund*, Order, 29 FCC Rcd 3432 ¶ 17 n.29 (Jan. 10, 2014) ("*CAF Order on Challenges*") (citing

“more likely than not”⁷ that StarTouch does not actually make service “available” in any of these census blocks.⁸

First, Frontier understands that, according to its objection, StarTouch objects to these census blocks because StarTouch reported them as served in its Form 477.⁹ Frontier notes that despite StarTouch’s claims to serve almost the entire State of Washington, 51 of Frontier’s census blocks do not appear on StarTouch’s most recent publicly available Form 477. Frontier has attached a list of these 51 census blocks,¹⁰ and Frontier requests authorization to serve these census blocks because StarTouch’s own Form 477 data is not consistent with its claims of serving all 429 census blocks.

Second, Frontier believes that a small WISP claiming to serve three-quarters of a state as large, mountainous, rural, and forested as the State of Washington is not credible. With current technologies, WISPs simply are not able to cost-effectively blanket states with service, as StarTouch claims to do, indicating it can serve nearly as much of the state as satellite providers.

Third, Frontier conducted a series of inquiries into service at addresses located in seven census blocks picked at random for which StarTouch indicates it offers service to according to its Form 477.¹¹ Of the seven addresses, StarTouch immediately explained it would not service four of them, and StarTouch indicated two sites would require a tech site visit to determine if feasible. Put differently, StarTouch, only believed it was theoretically capable to serve one, and maybe two more, of seven addresses (i.e., 14%, or, in the best case, 42%) in seven different census blocks on Frontier’s list picked at random. During these inquiries, the StarTouch representative explained that he was evaluating the potential for service based on Google Maps, and if there were too many trees, if there were hills, or if the location was too far from StarTouch facilities, StarTouch was not able to serve the area.¹² Apparently, that was the case for at least four and up to six of seven randomly selected locations. And it appears that StarTouch did not take any of these factors into account in filing its blanket Form 477.

Fourth, StarTouch itself acknowledges that it cannot actually offer broadband within a typical service interval without an extraordinary commitment of resources. When Frontier contacted StarTouch to request a quote for service installation, StarTouch indicated that a technician would first have evaluate the locations, which would take at least 10-14 days, and then after

State Broadband Data and Development Grant Program, 74 Fed. Reg. 32545, 32548 (July 8, 2009)); *see also* FCC Form 477: Local Telephone Competition and Broadband Reporting, Instructions (last accessed Oct. 14, 2016), <https://transition.fcc.gov/form477/477inst.pdf> (“*Form 477 Instructions*”).

⁷ *See* 47 C.F.R. § 54.312(c)(7).

⁸ *See CAF Order on Challenges* ¶ 17 n.29; *Form 477 Instructions*.

⁹ *See* StarTouch Letter.

¹⁰ Frontier has provided this list in the attached excel.

¹¹ *See* Declaration of Cathy Dahlquist.

¹² *See id.*

the evaluation, they would schedule the install, usually within another ten days.¹³ That is, instead of the ability to provide service within seven to ten business days, as required by the Form 477 reporting instructions¹⁴ and the CAF challenge process,¹⁵ StarTouch requires closer to one month. And StarTouch appears to acknowledge as much in its own letter. As StarTouch explains, “[t]he nature of Wireless Microwave Broadband is to easily access both remote and densely-populated areas alike – first through original customer contact, followed by site evaluations, if needed (*not every location will qualify* as would be the case for fiber or cable services). Service is finalized through installations similar to satellite.”¹⁶ In other words, StarTouch does not actually provide service to many of the areas that it indicates on its Form 477, and it is more likely than not that StarTouch is unable to provide service within the relevant 7-10 day timeframe for any of the areas. While StarTouch claims the fact that not all sites will qualify for service is similar to cable and fiber, the reality is very different – cable and fiber providers actually provide service to at least one location in a census block – StarTouch likely cannot provide service to vast swaths of census blocks to which it lays claim.

Fifth, StarTouch’s pricing indicates it is unable to provide service without an extraordinary commitment of resources. According to the installation price that StarTouch quoted when contacted by phone, StarTouch installation would cost \$449.¹⁷ Put differently, StarTouch charges the customer nearly as much as the CAF Phase I Round 2 grant per household (\$550 or \$775), before even considering its monthly service charges, which are nearly *double* the reasonable comparability benchmark. According to the monthly rates quoted by phone,¹⁸ and largely consistent with StarTouch’s publicly available website,¹⁹ StarTouch’s prices for broadband start at \$139.99 per month.²⁰ This is essentially twice the reasonable comparability benchmark, which would be roughly \$74.74 based on StarTouch’s 2 Mbps upload speeds and 300 GB data limit.²¹ That is to say, even if, in a certain census block, StarTouch could theoretically provision broadband in 7 to 10 business days, it cannot do so “without an extraordinary commitment of resources”²² – it has to charge double the reasonable comparability benchmark and a fee of \$449 to do so. This is a remarkable \$1,232 over the

¹³ See *id.*

¹⁴ See Form 477 Instructions.

¹⁵ See CAF Order on Challenges ¶ 17 n.29.

¹⁶ StarTouch Letter (emphasis added).

¹⁷ See Declaration of Cathy Dahlquist.

¹⁸ See *id.*

¹⁹ See StarTouch, *Residential Service* (last accessed Oct. 19, 2016), <http://www.startouch.com/residential/>.

²⁰ According to StarTouch’s website, it may offer 8 Mbps at \$109.99 with a 3-year contract. The 1-year contract price is \$129.99 per month. Frontier was quoted the prices for the 10 Mbps three-year contract, which is \$139.99 per month, or \$159.99 per month for a 1-year contract.

²¹ See FCC, *Reasonable Comparability Benchmark Calculator* (last accessed Oct. 19, 2016), <https://www.fcc.gov/general/reasonable-comparability-benchmark-calculator>.

²² See CAF Order on Challenges ¶ 17 n.29; Form 477 Instructions.

reasonable comparability benchmark in the first year, and an additional roughly \$800 each year thereafter. Moreover, StarTouch does not offer voice service.²³

Sixth and finally, StarTouch submitted an expression of interest for the Rural Broadband Experiments on March 6, 2014.²⁴ StarTouch explained that it “need[ed] assistance to expand [its] markets and provide cost effective services to those looking for Broadband connectivity,” specifically identifying a series of census tracts.²⁵ A short 21 months later, as part of its December 2015 477, StarTouch appears to claim to have blanketed these census tracts – despite never receiving Rural Broadband Experiment funding. Again, this expression of interest from 2014 undermines StarTouch’s claims and shows it is more likely than not that StarTouch does not provide service.

For all of these reasons, Frontier asks the Commission to find that it is “more likely than not” that StarTouch does not actually serve these census blocks.²⁶

Sincerely,

/s/ AJ Burton

AJ Burton

Attachment

cc: Alex Minard
Heidi Lankau

²³ See StarTouch, *Residential Service* (last accessed Oct. 19, 2016), <http://www.startouch.com/residential/>.

²⁴ See Letter from Keith Scheffer, CEO/President, StarTouch, to Marlene Dortch, FCC, WC Docket No. 10-90 (Mar. 6, 2014).

²⁵ *Id.*

²⁶ See, e.g., 47 C.F.R. § 54.312(c)(7).